Waukesha • Ozaukee • Washington
WORKFORCE DEVELOPMENT, INC.
892 Main Street, Pewaukee, WI 53072

June 15, 2010

Ms. Nancy Eilks, Auditor
DWD/DET
GEF 1, Room G100
P.O. Box 7972
Madison, WI 53707-7972

Dear Ms. Eilks,

On March 9th through March 11th 2010, Jefferson Wells conducted an ARRA subrecipient agency review of Waukesha-Ozaukee-Washington (WOW) Workforce Development, Inc. (WDI). Our responses to the observations and recommendations in their report are as follows:

Whistleblower Policy – The policy found in our Financial Procedures Manuel has been added to WOW WDI's Employee Handbook. In addition, the policy was distributed to all employees and a signed acknowledgment form was required from each employee after its receipt. The current policy provides for the confidential and anonymous reporting of fraud or abuse.

Background Checks – Shortly after the review, WOW WDI instituted a policy requiring that background checks be performed on all new hires. We use the Wisconsin Circuit Court Access (WCCA) for this purpose. A printed result of the background check is included in each new employee's personal file. We will also perform background checks on employees before transition to positions with senior management responsibilities, cash handling duties, or program requirements. Due to the size of the agency this is a fairly rare occurrence.

Conflict of Interest Policy – WOW WDI will be modifying its policy to include the requirement that Board Members and all employees complete and sign a disclosure statement annually. The agency has already completed this process for the current year.

Segregation of Duties – Regarding the preparation of bank reconciliations, the Controller has never prepared the bank reconciliation. That is done only by the Program Services Assistant – Finance. Reconciliations are prepared monthly then submitted to the Controller for final review and signed approval.

Our accounting processes, including the segregation of duties and implementation of internal controls, are reviewed annually by our auditors, and the board of directors. We have made enhancements in these areas in recent years and are constantly looking to make additional improvements. Given the size of the organization (33 employees covering three offices), it is our opinion that the duties related to the accounting, accounts payable, and payroll systems are well segregated.

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Payroll System Access Report – Payroll is prepared by the Program Services Assistant – Finance. Before payroll data is transmitted to our payroll service provider, it is reviewed and authorized by the Controller. After the payroll has been processed, it is reviewed again by both finance department staff. We have recently implemented additional reviews of the payroll by both the Executive Assistant and the Program Manager to insure that only authorized payroll changes have been processed.

Vendor Master File – The Program Services Assistant-Finance is in the process of reviewing the Vendor Master File for the purpose of identifying and removing duplicate vendor records. In addition, our fund accounting software has a utility for removing old/inactive vendor records from the database. We plan to purge old vendor records in the near future.

We feel the possibility of duplicate or erroneous payments is minimal since a) we only pay from original invoices, b) many payments are first authorized by program staff, and c) all payment vouchers must be reviewed/ approved by both the President or Program Manager and the Controller.

If you have any questions or need additional information, please do not hesitate to contact me at (262) 695-7891 or by email at rszewczykowski@wctc.edu.

Thank you.

Ralph T. Szewczykowski

Ralph Szewczykowski
Controller

cc. Theresa Loerke, Local Program Liaison
File